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Department of Defense Instruction

SUBJECT

Retirement Planning Programs

References: (a) Federal Personnel Manual Supplement 831-1
(b) DoD Directive 5000.19, "Policies for the Management and Control of DoD Information Requirements, " June 2, 1971

I. PURPOSE

This Instruction establishes policies and assigns responsibilities for the development, implementation and operation of retirement planning programs for civilian personnel in the Department of Defense.

II. APPLICABILITY AND SCOPE

The provisions of this Instruction apply to all DoD Components (Military Departments, Defense Agencies, Unified and Specified Commands, and the Office of the Secretary of Defense and all activities administratively supported by the OSD) .

III. TERMS

A. Retirement Counseling is an essential part of retirement planning programs during which employees are advised of the full range of retirement benefits available to them, and are apprised of the many and varied subjects that need to be considered in order to properly prepare for retirement. Retirement counseling:

1. Usually takes place from two to five years prior to the employee's eligibility for optional retirement; is attended on a voluntary basis generally during working hours; and includes the employee's spouse, where appropriate.

2. May be offered to employees individually or in groups by means of one or more methods such as interviews, seminars, lectures, discussions, classroom training and home study courses .
- B. Trial Retirement is a mutually agreeable plan by which employees who are eligible for optional retirement are permitted to try retirement for a given period of time (usually one year) with the option of returning to work at a specified level and salary (usually the level held prior to retirement, but not higher than the GS - 15 level) .**
- C. Gradual Retirement is generally categorized and operated in one of the following two ways:**
1. Employees do not initially retire but their employment is phased down by means of less time on the job or less demanding duties . Reduced time on the job is generally effected through use of annual leave , use of leave without pay, change to regular part-time employment, or change to intermittent employment.
 2. Employees retire optionally with immediate re - employment (usually within 60 days) for less than full time duty at the same level held prior to retirement, or at a specified lower level.

IV. OBJECTIVES AND POLICIES

- A. General. DoD Components will develop and operate internal comprehensive retirement planning programs . which will encompass the following features as a minimum:**
1. The programs will be established as an integral part of the over-all personnel management process and consistent with the Human Goals statement of

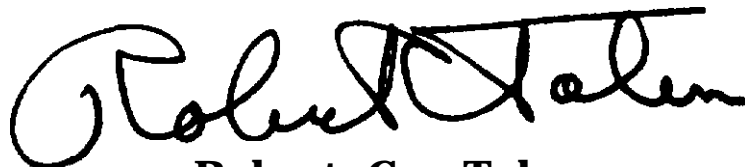
the Department of Defense will have as their primary objectives:

- a. Assisting employees (1) in their adjustment to retirement, conveying to them genuine concern for their social and economic well-being at the conclusion of their careers, and (2) in making retirement decisions.
 - b. Assisting management in discharging its responsibility of providing employees with adequate understanding of retirement benefits , and planning for r emplacement needs .
- 2, The scope of the programs will be determined individually by the DoD Component, based to the maximum extent feasible on the needs of its employees and the capabilities of the organiza - tion to integrate planned retirement into its manpower planning.
 3. The programs will not be limited to the minimal pre-retirement counseling required under the FPM Supplement 831-1 (reference (a)), but will include such features as trial retirement and gradual retirement options for interested employees as contained in Enclosure 1.
- B. Related Retirement Material. Attached (Enclosure 2) for information and guidance is a list of material on the subject of retirement planning, preparation for retirement and pre - retirement couns cling which (1) ranges from program development guidance to reports on surveys and research studies of operating programs , and (2) is available from public and private sources at little or no cost.
- C. Record-Keeping. It is expected that there will be a need to request information from time to time on the operation of trial retirement and gradual retirement plans, and accordingly each Department of Defense

Component should maintain as a minimum statistics on the number of employees participating in these plans in order to readily respond to such requests. Specific requests for information will be established in accordance with reference (b).

V. EFFECTIVE DATE AND IMPLEMENTATION

This Instruction is effective immediately. Two copies of each implementing document will be forwarded to the Assistant Secretary of Defense (Manpower and Reserve Affairs) within ninety (90) days .



Robert C . Taber
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Acting Assistant Secretary of Defense
(Manpower and Reserve Affairs)

Enclosures - 2

- 1. Minimum Requirements for
Trial Retirement and Gradual
Retirement Programs**
- 2. Bibliography**

**Minimum Requirements for Trial Retirement and
Gradual Retirement Programs**

- A. **General.** In developing specific procedures for the operation of trial retirement and gradual retirement programs , primary consideration must be given to the involvement of all affected parties through:
1. Participation of supervisors , employees and union representatives in identifying needs , alternative possibilities and the specifics of the program; and
 2. Briefings for managers, supervisors and employee representatives on the operation of the programs developed.
- B. **Content.** The specific procedures for operation of the programs will include as a minimum the details of the:
1. eligibility requirements for participation,
 2. procedure by which employees can submit a request to participate (application),
 3. provisions for approval/disapproval of requests (with reasons required for disapprovals),
 4. written reemployment agreements between the activity head and the employee for trial retirement, or between the supervisor and the employee for gradual retirement not involving immediate optional retirement,
 5. method(s) to be used in filling positions which are vacated by trial retirees ,
 6. return to duty requirements for trial retirees (including required timing of notification of intent to return, type of appointment, expected or minimum length of tenure, etc .),

7. **nature and extent of reporting requirements on participation in the programs,**
8. **briefings for managers and supervisors and employee representatives designed to provide them with the specific information they will need in order to fully understand the programs , their purpose , and their method of operation, and**
9. **counseling to be provided eligible employees . As a minimum, counseling procedures will provide the individual with full information on the effect that participation will have on:**
 - a. **pay (including retirement deductions, service credits and high-three average salary, as appropriate),**
 - b. **tenure,**
 - c. **leave (accrual, use, lump sum payment, etc.) and**
 - d. **group life insurance and health benefits coverage.**

BIBLIOGRAPHY FOR RETIREMENT PLANNING PROGRAMS

Buckley, Joseph. The Retirement Handbook. New York: Harper and Row, 1967.

Good all-purpose book for the layman, although slightly heavy on retirement living locations and leisure time activities. Good bibliographies at end of every chapter.

Civil Service Retirement Orientation and Counseling Program.

Washington, D. C. : Agriculture Stabilization and Conservation Service, U. S. Department of Agriculture, 1967.

Pamphlet designed to provide state offices with directions for carrying out a Civil Service retirement orientation and counseling program.

Couch, Peter D. and Earl F. Lundgren. "Making Voluntary Retirement Programs Work. " Personnel Journal, vol. 42, no. 3, March 1963, pp. 135-138.

An effective long-range pre-retirement program is the key to successful voluntary retirement plans. An important part of such a program is the arrangement of frequent contacts between those who have retired and those facing retirement.

Draper, Jean E. , Earl F. Lundgren and George B. Strother. Work Attitudes and Retirement Adjustment. Madison: Bureau of Business Research and Service, University of Wisconsin, 1967.

French, Marilyn. How Business Prepares Employees for Retirement. Chicago: The Dartnell Corporation, 1964.

The business side of the picture is presented in this fine manual. Pre-retirement policies and practices of the nation's leading companies are pictured in toto so that the reader may come to his own decision.

Gardner, John W. "What Self-renewal Can Do For Retirement. " Think, vol. 33, no. 4, July-August 1967, pp. 2-6.

Statements of the Secretary of Health, Education and Welfare indicate advances in economic security for the retiree, but the most pressing need is for him to feel useful. Provision for this includes early counseling, mid-career clinics, and gradual phasing into retirement.

Golub, Fred T. and John McBride and Hamilton Stillwell. "Retirement"
An Experiment in Group Counseling. " Personnel, May 1956, pp. 544-
547.

"How to Prepare Your Employees for Retirement. " Business Management,
vol. 30, no. 5, August 1966, pp. 53-66.

Three basic methods for preparing employees for retirement are
reviewed and their advantages and disadvantages pointed out.
Suggestions are made to sources of assistance in setting up
pre-retirement programs.

----- . A Longitudinal Study of Pre - retirement Education.
Ann Arbor: University of Michigan, Division of Gerontology, 1968.
Reports on study designed to assess effects of pre-retirement educa-
tional programs during the years after retirement.

----- . Preparation for Retirement. Ann Arbor:
University of Michigan Press, 1968.
This gerontologist includes in his 100-page instructional manual
a series of lessons, stories, and themes of aging which can serve
as useful aids for a counseling program.

----- . and Ralph Laws. Preparation for Retirement. New
York: National Council on Aging, 1965.
Intended to aid in the design of pre-retirement counseling programs.

Looking Ahead: A Syllabus for a Series of Discussions in Pre-retirement
Education. Denver: Adult Education Council of Metropolitan Denver,
1967.

The study commends the benefits of a group discussion method as
a pre-retirement education technique. The syllabus offers a terse
dialogue on the merits and pitfalls of retirement.

Looking Ahead to Retirement: Manual for Discussion Leaders . United
Steelworkers of America and Committee on Retired Workers, 1961.
Useful for the prospective discussion or seminar leader. Gives
tips on how to provide an effective forum for the exchange of
information and ideas, how pre-retirement discussion programs
should be set up, and appropriate resource materials.

Mathiasen, Geneva, ed. Flexible Retirement. New York: G. P. Putnam's Sons, 1957.

This comprehensive work has sections dealing with the problems, programs, and actual mechanics of flexible retirement; the health aspects of flexible programs; in- plant adjustments which increase under flexible programs. Detailed procedures of seven specific retirement programs are contained in appendices.

Meyer, Maude. "Planning Ahead for Retirement. " Public Personnel Review, 1965, p. 203.

State of Illinois pre-retirement program is described.

Morris, E. S. ' 'Pre-retirement Counseling in the S. E. C. of Victoria, " Personnel Practise Bulletin (Australia\ vol. 23, no. 2, June 1967, pp. 107-114.

Details of the State Electricity Commission provisions for retirement counseling and funding, including advantages of the program to the individual and the community as a whole.

O'Brien, James. ' 'Gradual Retirement: Slow Down Before the Full Stop. " Public Personnel Review, 1962.

Analyzes the inter relationship between gradual retirement and productivity.

Planning for Retirement: A University Labor Union Program. Case Study No. 16, U. S. Department of Health, Education and Welfare, Administration on Aging, 1965.

The successful Roosevelt University Pre - retirement Program for union members is presented. Pamphlet explains how a course should be structured and subject matter to be taught.

Podnos, Ira. "Retirement Preparation Program. " Public Personnel Review, vol. 27, no. 2., April 1966, pp. 131-132.

Describes program instituted for its employees by the City of Chicago to aid them in planning for post employment years.

Preparation for Retirement: A New Guide to Program Development. (Government edition). Washington, D. C. : American Association of Retired Persons, 1968.

Practical advice on development and conduct of pre - retirement planning programs.

Preparation for Retirement in the Federal Government. Washington, D. C.: American Association of Retired Persons, 1967
Survey includes data on selected characteristics of pre-retirement programs : procedures, content, arrangements, cost, and evaluation.

Pre-retirement Programs . Chicago: Chicago's Mayor's Commission for Senior Citizens, 1966.
Descriptions of programs at Inland Steel, Abbott Laboratories, Illinois, Bell Telephone, Kemps Insurance Group, City of Chicago. Swift and Company.

Retirement Advisors, Inc. , Folder of Counseling Materials, Procedures, and Services. New York, 1968.
A representative package of materials from a private retirement counseling organization.

Retirement Advisory Service in Federal Agencies. U. S. Civil Service Commission, 1962.
This comprehensive summary of the inspection findings of 228 agencies' program operations reveals information on designation of retirement division, training and development, and performance of advisory duties, and employee understanding.

Retirement Planning: A Growing Employee Relations Service. U. S. Civil Service Commission, 1961.

Retirement Planning Guidebook. The Retirement Council, 1963. 112 pp.
A folksy question- answer discussion of the value of retirement planning in such areas as health, finances, leisure and occupations. Particularly interesting is the travelogue describing attractive and not- so- attractive places to retire.

Retirement Planning Programs. Washington, D. C.: U.S. Civil Service Commission, Bureau of Retirement and Insurance, 1969.
In 1968, the CSC conducted a study to determine the need for and effectiveness of retirement planning programs. All participants were Federal Employees who had retired within the last three years. On the basis of the results, increased retirement planning programs are recommended, covering such things as use of time, social and personal life, finances, and health. Extensive tables give profile of retirees. Major research conducted by Dr. Daniel Sinick.

Retirement Planning Workshop. Bureau of Business Practice, 1965.

A comprehensive, self-administered course for the prospective retiree. Monthly portfolios survey retirement topics of money, health, activities, living arrangements, and personal guidance. Costs of service also included.

Schultz, E. B. "Selective Retirement and Pre-retirement Counseling in the TVA. " Industrial and Labor Relations Review, vol. 12, no. 2, January 1959, pp. 206-213

Outlines the selective service plan (review of physical condition).

Smyth, Virginia M. "Retirement Planning. " Journal of the College and University Personnel Associations, vol. 17, no. 4, August 1966, pp. 10-19.

Examines problems faced by the retiree and offers suggestions for a retirement planning program.

Wall fesh, Henry M. "Retirement Counseling. " Personnel Administration, vol. 13, no. 3, May - June 1968, pp. 45-48.

Points out difficultiess of transition from active employment to retirement, reports on experience under existing pre-retirement plans, and makes suggestions regarding provisions of such programs.

Wermel, Michael and Geraldine Beideman. Retirement Preparation Programs: A Study of Company Responsibility. Pasadena, California Institute of Technology, 1961.

Covers (1) Responsibilities in Retirement Preparation Process; (2) Programs in American Industry; (3) Model Retirement Program.

U. S. Department of Health, Education and Welfare. Social Security Administration. Planning for the Later Years, 1967.

Contains chapters on subjects "most wanted" by retirees.